

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	<u>November 02, 2011</u>
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	<u>2011-68-E/2011-158-E</u>
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	<u>2011-816</u>

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

DOCKET NO. 2011-68-E - Progress Energy Carolinas, Inc.'s Notices and Information Required by Regulatory Conditions 25 and 31 of Commission-Order No. 2000-229 (See Also Docket No. 2011-158-E):

-and-

DOCKET NO. 2011-158-E - Application Regarding the Acquisition of Progress Energy, Incorporated by Duke Energy Corporation and Merger of Progress Energy Carolinas, Incorporated and Duke Energy Carolinas, LLC - Discuss this Matter with the Commission.

COMMISSION ACTION:

The Joint Motion to Establish Procedural Schedule was filed by or supported by eleven of the twelve parties in this docket. We are appreciative of the efforts by the parties to reach an accommodation on the hearing schedule, and it is with their effort in mind that I move that – with some prefile date modifications – we grant the requests of the parties. However, I also move that we state several caveats regarding our granting of the motion.

It still appears that the most prudent and efficient course is for this Commission to wait until the federal intervenors have had time to comment on the mitigation measures to FERC and for FERC to determine whether those measures are sufficient. The Joint Motion proposes a more aggressive and potentially less efficient schedule, especially in regard to its hearing date.

While the proposed schedule provides the Petitioners with an opportunity to move the merger forward as quickly as possible, it also may in the end create inefficiency if the FERC's response to the mitigation plan is other than to approve it. In other words, the parties go forward with their accelerated schedule at the risk of having to appear before us again once FERC has made its decision.

Further, this Commission's granting of the proposed hearing date should not be taken as an indicator of when this Commission will rule, or of what additional scheduled proceedings may be required prior to such ruling.

There are also some pre-hearing issues with the proposed schedule. There is no provision in the Joint Motion to allow for testimony by the Petitioners regarding the FERC action, and it proposes that the direct prefile testimony of the state intervenors be due six days before the federal intervenors even file their responses in the FERC docket. Fortunately, there is some room for minor modifications to the proposed prefile schedule.

Therefore, I move that the following schedule be put in place, subject to all Commission filing rules:

November 10th

Petitioners' Supplemental Direct Testimony
regarding impacts of action taken by FERC

November 17th

Direct Testimony of Intervenors

November 30th

Rebuttal Testimony of Petitioners

December 7th

Surrebuttal Testimony of Intervenors

Week of December 12th

Hearing

In addition, I move that we grant the joint request that these dockets remain open until further order of this Commission, pending FERC issuance of its final orders in all three merger-related dockets before the FERC: 1) the Merger application, 2) the proposed Joint Dispatch Agreement, and 3) the Joint Open Access Transmission Tariff docket. The Joint Movants seek the opportunity to analyze such orders and present positions as to whether or not such orders require further action by the Commission.

PRESIDING: Wright

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Attending the Eastern Utility Rate School in Clearwater, Florida

(SEAL)

RECORDED BY: J. Schmieding

